## Message Text

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PAGE 01 NIAMEY 04100 102232Z

16

**ACTION AF-08** 

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15

STR-04 CEA-01 IGA-02 /090 W

----- 06544

R 101750Z SEP 76

FM AMEMBASSY NIAMEY

TO SECSTATE WASHDC 4788

INFO AMEMBASSY ABIDJAN

AMEMBASSY BAMAKO

AMEMBASSY DAKAR

AMEMBASSY LAGOS

AMEMBASSY NOUAKCHOTT

AMEMBASSY OUAGADOUGOU

USMISSION EC BRUSSELS

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E.O. 11762: N/A TAGS: ETRD, NG

SUBJECT: NIGER'S REVERSE PREFERENCES

**REF: STATE 204117** 

SUMMARY: NIGER IS AWARE OF ANOMALY IN ITS BEING ONE OF FEW ACP STATES TO RETAIN REVERSE PREFERENCES. HOWEVER SYSTEM IS LESS DISCRIMINATORY IN FAVOR OF EC THAN WAS ONCE THE CASE. PRESENT ARRANGEMENTS REFLECT DOMESTIC POLITICAL CONCERNS RATHER THAN DESIRE TO FAVOR NINE PER SE. WE SEE SOME HOPE OF FURTHER EVOLUTION TOWARDORFULLY NON DISCR IMINATORY TARIFF STRUCTURE END SUMMARY

2. DRAWING ON TALKING POINTS PROVIDED BY DEPARTMENT, CHARGE CONVEYED CONCERN ABOUT REVERSE PREFERENCES TO LIMITED OFFICIAL USE

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MINISTER OF NATIONAL ECONOMY ALFIDJA SEPTEMBER 9.

ALFIDJA PROVIDED FOLLOWING BACKGROUND, OF WHICH DEPT. ALREADY AWARE. IN AUGUST 1975, ACTING UNDER LOME CONVENTION, GON ISSUED DECREE SUBJECTING GOODS OF EC ORIGIN TO GENERAL IMPORT DUTIES PREVAILING FT OTHER COUNTRIES, THUS ELIMINATING REVERSE PREFERENCES THAT HAD EXISTED UNDER YAOUNDE CONVENTION REGIME. WHILE THIS MEASURE DID NOT ENTIRELY ELIMINATE DISPARITY IN TREATMENT (THERE ARE A VARIETY OF OTHER TAXES AND FEES WHICH IMPACT ON IMPORTS ACCORDING TO THEIR SOURCE), IT RESULTED IN BETTER EQUALIZATION IN TERMS OF ENTRY. IT ALSO CONTRIBUTED TO RAISING CONSUMER PRICES SHARPLY.

3. IN EARLY MONTHS OF 1976 GON FOUND ITSELF CONFRONTED WITH MOUNTING, ACROSS-THE-BOARD INFLATION AND TOOK A POLITICAL DECISION TO AGJ IN PROMPT AND DRAMATIC WAY. IT DECIDED TO REDUCE TAXES ON A VARIETY OF CONSUMER GOODS AND DECREED DUTY FREE ENTRY FOR MANY CONSUMER STAPELES. QUICKEST FIX FOR OTHER IMPORTS ALFIDJA SAID WAS TO AMEND AUGUST 1975 DECREED THUS IN APRIL 1976 GON LOWERED TARIFFS ON IMPORTS FROM EC BY 50 PERCENT. MINISTER SAID PRICE CHANGES ON SUCH IMPORTS - WHICH ARE ITEMS IN MOST COMMON USE AND COMPRISE 66 PERCENT OF NIGER'S IMPORT TOTAL - TNED TO BE REFLECTED VERY QUICKLY ON LOCAL MARKETS AND THIS WAS GON'S BASIC GOAL.

4. MINISTER SAID HE RECOGNIZED THAT ACTION WAS HASTY
AND THAT WHILE THERE WAS INEVITABLY AN ELEMENT OF DISPARITY
IN TREATMENT, NO OVERT DISCRIMINATION AGAINST NON EC
COUNTRIES WAS INTENDED. HE STRONGLY ASSERTED THAT
THERE HAD BEEN NO PRESSURE FROM ANY OF THE NINE. GON,
ALFIDJA CONTINUED, INTENDS SOME TIME IN NEAR FUTURE
TO BEGIN THOROUGH STUDY OF TARIFFS, OTHER
CHARGES, CONSUMER PRICES AND GOVERNMENT REVENUE
NEEDS IN WHICH REGIME FOR ALL IMPORTS WILL BE REVIEWED.
WE SUGGESTED THAT THIS WOULD BE A GOOD OPPORTUNITY TO
LIFT RESIDUAL MEASURES AFFECTING EC AND NON EC
IMPORTS IN UNEQUAL FASHION, A SITUATION WHICH
WAS A CONTINUING CONCERN TO US AT A TIME WHEN WE ARE
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PAGE 03 NIAMEY 04100 102232Z

OVIG TO INCREASE OUR ECONOMIC ASSISTANCE HERE.

5. COMMENT: AS ALFIDJA REMARKED IT DEPENDS ON WHETHER YOU SEE THE BOTTLE AS HALF EMPTY OR HALF FULL. PREFERENCES NOW ACCORDED EC GOODS ARE ONLY HALF OF WHAT THEY WERE DURING ERA OF YAOUNDE CONVENTION. ON THE OTHER HAND, GON HAS RETREATED FROM POLICY WHICH PREVAILED FROM AUGUST 1975 UNTIL APRIL 1976

OF FULL APPLICATION OF ARTICLE 7 LOME CONVENTION.
ON-AGAIN-OFF-AGAIN APPROACH TO PREFERENCES OVER PAST YEAR INDICATES THAT GON'S THINKING ON
THIS MATTER IS AD HOC RATHER THAN DOCTRINAIRE, AND WE SEE NO SYSTEMATIC DESIRE TO HUE TO YAOUNDE ARRANGEMENTS
ON PART OF GON. THIS PLUS GOVERNMENT AWARENESS
THAT IT IS IN A DWINDLING MINORITY SUGGESTS THAT FURTHER EFFORTS ON OUR PART FROM TIME TO TIME TO GET RID OF REMAINING DISCRIMINATORY ASPECTS OF TARIFF REGIME WILL BE WORTHWHILE.

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## Message Attributes

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